

FTB NOTICE 2008-4 CLOSING AGREEMENT

This Closing Agreement ("**Agreement**") is made pursuant to California Revenue and Taxation Code section 19441, subdivision (a), by and between the Franchise Tax Board of the State of California ("**FTB**") and _____

(TPID _____) and _____
(TPID _____) ("**Taxpayer**") (collectively, the "**Parties**").

FACTUAL RECITALS

A. TAX RETURNS FILED. Taxpayer filed a California franchise or income tax return(s) for the taxable year(s) ("**Taxable Year(s) at Issue**") set forth below for which Taxpayer claimed California tax benefits associated with the transaction described in paragraph B. below:

Return #	Taxpayer Name	Tax Year Ended	Type of Return (Form Number)	Date Return Filed
1				
2				
3				
4				
5				
6				

(If additional space is required, please include information on a separate attachment to this agreement.)

B. DESCRIPTION OF TRANSACTION(S).

B.1. Taxpayer participated in a transaction referred to in FTB Notice 2008-4 as a

- ☐ Bogus Optional Basis (BOB) transaction.
- ☐ Certain Employee Stock Ownership Plan (ESOP) transaction.

B.2. A detailed description of the transaction(s) is attached as Schedule I, including a description of each step of the transaction, the date(s) on which each step took place (the real or effective date, as the case may be), the fair market value and cost basis of all assets transferred, and the names of all entities involved in the transaction(s).

B.3. Taxpayer claimed the following tax benefits:

Return # per A. above	Item Description	Amount of Tax Benefits Claimed on California Tax Return	Form and Line Number of Return where Benefits Claimed
1			
2			
3			
4			
5			
6			

(If additional space is required, please include information on a separate attachment to this agreement.)

B.4. Taxpayer claimed the following transaction costs (i.e., fees and other amounts paid to promoters, material advisors, attorneys, accountants, appraisers, or others to plan and carry out the transaction) including, but not limited to, accounting, legal, promotion, or spread commission fees, any account fees for opening, establishing, or reactivating an account, any commissions, or any other amounts associated with the Transaction(s) as a deduction, loss or basis adjustment:

Return # per A. above	Item Description	Amount of Transaction Costs Claimed on California Tax Return	Form and Line Numbers of Return where Costs Claimed
1			
2			
3			
4			
5			
6			

(If additional space is required, please include information on a separate attachment to this agreement.)

B.5. The term "**Transaction(s)**" is defined as Paragraphs B.1 through B.4., inclusive, along with Schedule I and attachments related thereto.

C. TAXPAYER COMPLIANCE WITH FTB NOTICE 2008-4. The Taxpayer has complied with the requirements set forth in FTB Notice 2008-4 and has fully completed the following schedules attached hereto and made part of this Agreement:

- Schedule I – Detailed Description of Transaction.
- Schedule II – Transaction Information Document Request (IDR) Checklist with copies of all information requested in the IDR.
- Schedule III – Additional Tax, Penalty, and Interest Computation.

D. CALIFORNIA VOLUNTARY COMPLIANCE INITIATIVE. Taxpayer did not file under the California Voluntary Compliance Initiative for the Taxable Year(s) at Issue.

E. CALIFORNIA RESOLUTION INITIATIVE. Taxpayer was not eligible and did not participate in the California Tax Shelter Resolution Initiative provided by FTB Notice 2006-1.

F. PENDING ACTIONS. For the Taxable Year(s) at Issue, there

- ☐ are
☐ are no

appeals before the California State Board of Equalization or pending actions in superior court or any other court that involve a dispute between Taxpayer and FTB involving the Transaction(s).

G. FTB NOTICES. FTB

- ☐ issued a Notice of Proposed Assessment to Taxpayer for the Transaction(s) for the following Taxable Years at Issue _____.
- ☐ has not issued a Notice of Proposed Assessment to Taxpayer for the Transaction(s) for the following Taxable Years at Issue _____.

H. INTENT OF PARTIES. The Parties desire to resolve the tax treatment of the tax benefits, the transaction costs, and the associated penalties of the Transaction(s) in accordance with the provisions of FTB Notice 2008-4.

AGREEMENT

THE FOLLOWING ARE DETERMINED AND AGREED UPON BY THE PARTIES FOR PURPOSES OF

- ☐ CALIFORNIA PERSONAL INCOME OR
- ☐ CORPORATE FRANCHISE AND INCOME TAX:

1. **TAX BENEFITS.** All California tax benefits from the Transaction(s) are disallowed.

2. **DISALLOWANCE OF TRANSACTION COSTS.** Taxpayer is not allowed, as an ordinary loss or deduction, any transaction costs relating to the Transaction(s). The disallowed transaction costs cannot be added to the basis of any property.

3. **TAX.** The FTB accepts the payment from Taxpayer by (check appropriate boxes):

- ☐ Check
- ☐ Electronic Funds Transfer
- ☐ Installment Agreement
- ☐ Amounts Previously Paid

for the tax amounts set forth below, attributable to the disallowance of Transaction-related tax benefits described in paragraph B.3. above, and the disallowance of a deduction/loss for transaction costs, as set forth in paragraph B.4. above.

Return # per A. above	Tax Year	Total Tax Per Return	Total Tax Per Agreement	Additional Tax Per Agreement
1				
2				
3				
4				
5				
6				

4. **ADJUSTMENTS TO THE BASIS OF ASSETS.** The Parties agree to the following California tax basis for the following assets as of the date shown below:

Date	Asset	Basis as Originally Reported or Per Transaction	Basis Per Agreement

5. PENALTIES. The FTB accepts the payment by (check appropriate boxes):

- ☐ Check
- ☐ Electronic Funds Transfer
- ☐ Installment Agreement
- ☐ Previously Paid

☐ **5.1. FTB issued a Notice of Proposed Assessment to Taxpayer for the Transaction(s) for the Taxable Years listed in G., above,** for the penalty amounts imposed under California Revenue and Taxation Code section 19774, the noneconomic substance transaction (NEST) penalty, as set forth below, with respect to the understatement(s) attributable to the Transaction(s). The penalties assessed under California Revenue and Taxation Code section 19774 are assessed at 20 percent of the understatement because the Chief Counsel hereby exercises his discretion under California Revenue and Taxation Code section 19774, subdivision (d). Taxpayer is relieved of any penalties assessed or assessable under California Revenue and Taxation Code sections 19164, 19164.5, 19772, 19777, 19778, and former section 19773, with respect to the Transaction(s) for the Taxable Years at Issue where the assessment is not final.

☐ **5.2. FTB has not issued a Notice of Proposed Assessment to Taxpayer for the Transaction(s) for the Taxable Years listed in G., above,** for the penalty amounts imposed under California Revenue and Taxation Code section 19164, the accuracy related penalty, as set forth below, with respect to the understatement(s) attributable to the Transaction(s). The penalties assessed under California Revenue and Taxation Code section 19164 are assessed at 20 percent of the underpayment. Taxpayer is relieved of any penalties assessable under California Revenue and Taxation Code sections 19164, subdivision (c), 19164.5, 19772, 19774, 19777, 19778, and former section 19773, with respect to the Transaction(s) for the Taxable Years at Issue.

Return # per A. above	Tax Year	Penalty Amount	Paid Under 5.1.	Paid Under 5.2.
1				
2				
3				
4				
5				
6				

6. **INTEREST.** The FTB accepts the payment by (check appropriate boxes):

- ☐ Check
- ☐ Electronic Funds Transfer
- ☐ Installment Agreement
- ☐ Previously Paid

of interest as provided by law under California Revenue and Taxation Code section 19101, as set forth below, and the Taxpayer is not entitled to interest suspension under California Revenue and Taxation Code section 19116.

Return # per A. above	Tax Year	Interest Amount
1		
2		
3		
4		
5		
6		

7. **REFUND OF OVERPAYMENT.** If Taxpayer paid a Notice of Proposed Assessment mailed to Taxpayer by FTB for the Transaction(s) for the Taxable Years at Issue prior to June 6, 2008, and the amounts owed under this Agreement are less than what the Taxpayer paid due to the reduction of the NEST penalty under 5.1. above, the FTB shall issue a refund to the Taxpayer so long as the statute of limitations remains open.

8. **VERIFICATION.** FTB shall verify the items reported on Schedule III and the FTB shall mail a Notice of Tax Due if the amount of tax, penalty and/or interest were understated, a refund if the amount of tax, penalty and/or interest were overstated, or a revised installment agreement with the correct amount of tax, penalty and/or interest.

9. **MATERIAL FACTS.** All Factual Recitals made above and any information provided by Taxpayer in connection with Schedules I through III herein are material facts upon which the FTB has relied to enter into this Agreement.

10. **POST AGREEMENT ITEMS.**

10.1. **Refunds and Appeal Not Allowed.** Notwithstanding California Revenue and Taxation Code, Part 10.2, Chapter 6 (commencing with Section 19301), no refund, credit or offset shall be allowed for any of the amounts of tax, penalties and/or interest set forth in paragraphs 3., 5., and 6. respectively. Taxpayer also waives any statutory right under California Revenue and Taxation Code section 19752, subdivision (b), to file an appeal relating to any of the amounts of tax, penalties and/or interest set forth in paragraphs 3., 5., and 6. respectively.

10.2. **Adjustments on Unrelated Grounds.** This Agreement is without prejudice to the right of the FTB to examine any taxable year(s) of Taxpayer, including the Taxable Year(s) at Issue, and raise issues and make assessments, adjustments or take any other action concerning any matter other than the Transaction(s) within the appropriate California statute of limitations. This Agreement is without prejudice to the right of Taxpayer to timely pursue refund claims on any grounds, other than grounds relating to the Transaction(s) and except as provided in 10.1 above, for any taxable year, including the Taxable Year(s) at Issue, within the appropriate statute of limitations.

10.3. Unrelated Federal Adjustments. This Agreement shall not limit the Franchise Tax Board's ability to make further adjustments to Taxpayer's tax liability for any taxable year in order to conform to any final federal determination for any taxable year(s) of Taxpayer, including the Taxable Year(s) at Issue, based on grounds unrelated to the Transaction(s), nor will this Agreement limit Taxpayer's right to contest such adjustments. Nothing in this Agreement shall limit Taxpayer's ability to make claims for refund, except as provided in 10.1 above, for any year based on grounds unrelated to the Transaction(s) in order to conform to any final federal determination, nor will this Agreement limit the FTB's right to contest such new claims for refund or adjustments.

10.4. Binding and Conclusive. This Agreement is binding and conclusive with respect to the Transaction(s). No Party to this Agreement will subsequently raise or attempt to contest for any taxable year any issue relating to the Transaction(s), except that:

10.4.1. This Agreement may be modified, reopened, or revoked by the FTB in the event of fraud, malfeasance, misrepresentation and/or omission of a material fact;

10.4.2. The Agreement is subject to the California Revenue and Taxation Code sections that expressly provide that effect be given to their provisions (including any stated exceptions for California Revenue and Taxation Code section 19441, subdivision (b)) notwithstanding any other law or rule of law; and

10.4.3. To the extent that this Agreement relates to a taxable year(s) ending after the date of this Agreement, it is subject to any law that is, or becomes, operative with respect to that taxable year(s).

10.5. Ruling Disclosure Requirement. If Taxpayer requests a ruling from the FTB with respect to any matter arising during the Taxable Year(s) at Issue or affected by this Agreement, the Taxpayer shall disclose the existence of this Agreement and that such ruling may affect a matter covered by this Agreement.

11. EFFECTIVE DATE. This Agreement shall be effective upon its execution by the FTB's Executive Officer.

12. APPLICABLE LAW. This Agreement shall be construed and interpreted in accordance with the laws of the State of California. The Parties, and each of them, hereby agree to submit to the jurisdiction of the California courts in any action relating to this Agreement, or the enforcement or interpretation of the terms hereof.

13. MISCELLANEOUS.

13.1. Entire Agreement. This document, together with Schedules I through III and all attachments, constitutes the entire agreement between the Parties, all oral agreements being merged herein, and supersedes all prior representations. No waiver, modification or amendment of any provision of this Agreement shall be effective unless specifically made in writing and properly executed by all the Parties to this Agreement. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, such holding or action shall be strictly construed and shall not affect the validity or effect of any other provision hereof.

13.2. Captions. All paragraph captions are for reference only and shall not be considered in construing this Agreement.

13.3. Authority to Execute. The persons executing this Agreement represent and warrant that they have the authority to execute this Agreement on behalf of the respective Parties.

13.4. Effect on Successors. This Agreement shall be binding upon the Parties, their assumers, transferees, successors, and assigns.

13.5. Parties in Interest. None of the provisions of this Agreement or any other document relating hereto provides any rights or remedies to any person other than the Parties hereto and their respective successors, transferees, assumers and assigns, if any.

13.6. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

13.7. Interpretation. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. References to a Party are also to such Party's assumers, transferees, successors, and assigns.

13.8. Agreement with Terms. By signing, the Parties certify that they have read and agreed to the terms of this Agreement.

EXECUTION OF AGREEMENT

Taxpayer declares under penalty of perjury that the information contained in this Agreement under the section entitled "FACTUAL RECITALS" is true, correct, and complete to the best of Taxpayer's knowledge.

TAXPAYER

Dated: _____ By: _____ [Signature]
_____ [Print Name]

TAXPAYER

Dated: _____ By: _____ [Signature]
_____ [Print Name]

TAXPAYER'S REPRESENTATIVE

Dated: _____ By: _____ [Signature]
_____ [Print Name]

TAXPAYER (other than an individual) – ATTACH STATEMENT OF AUTHORIZATION

Dated: _____ [Print Name]
By: _____ [Signature]
_____ [Print Title]

FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA

Dated: _____ By: _____
Selvi Stanislaus, Executive Officer
California Franchise Tax Board

STATEMENT OF AUTHORIZATION

[PLEASE COMPLETE FOR EACH SIGNATORY TAXPAYER AND SUBMIT SIGNED ORIGINALS WITH SIGNED CLOSING AGREEMENT.]

I, _____,

represent that I am an

[Please check appropriate box below]

- ☐ Officer authorized to act on behalf of the following Taxpayer(s):
- ☐ Authorized representative (pursuant to a valid Form 3520, Power of Attorney on file with the FTB) of the following Taxpayer(s):

Taxpayer Name	Identification #

I declare under penalty of perjury that the foregoing is true, correct, and complete.

By: _____
(Print Name)

(Position/Title)

Date

FTB NOTICE 2008-4
CLOSING AGREEMENT
SCHEDULE I

DETAILED DESCRIPTION OF TRANSACTION

☐ **Bogus Optional Basis (BOB) Transaction(s).**

This BOB Transaction(s) includes transactions having the following characteristics (please mark all applicable boxes):

1. ☐ A partnership or any entity, including an LLC, taxed as a partnership for federal income tax purposes ("**BOB Partnership**") made an election(s) under Internal Revenue Code (IRC) section 754, and increased or upwardly adjusted the tax basis of any asset ("**BOB Appreciated Assets**") under ☐ IRC section 743 or ☐ IRC section 734 ("**BOB Increased Basis Adjustment**").
2. ☐ The BOB Partnership and/or one of its remaining or purchasing partner(s), in the case of a transfer of a BOB Partnership interest, ☐ incurs, ☐ guarantees, or ☐ assumes a liability or ☐ other debt in connection with the BOB Transaction(s) ("**BOB Borrowing**"). Additionally, an event occurs which requires and results in an ☐ IRC section 743(b) adjustment, such as a sale or exchange of a partnership interest, or an ☐ IRC section 734(b) adjustment, such as a distribution of partnership property ("**BOB Triggering Event**").
3. ☐ After the BOB Partnership made the BOB Increased Basis Adjustment, the BOB Appreciated Assets were, or could be ☐ depreciated or amortized using such additional adjusted tax basis, ☐ sold, exchanged, transferred, surrendered, or disposed of by the BOB Partnership or successor, and/or ☐ the original built-in-gain [or ☐ inherent gain] in the BOB Appreciated Assets is deferred, offset, netted, and/or permanently eliminated ("**BOB Tax Benefit**").
4. ☐ Transactions included in any part or step in a transaction, plan or arrangement, that are the same as, or substantially similar to, transactions described in IRS Uniform Issue List (UIL) No. 9300.42-00.

A thorough description of the BOB Transaction(s) is attached hereto, including but not limited to the following information:

- (i) Name and FEIN of BOB Partnership;
- (ii) Description of BOB Appreciated Assets;
- (iii) Amount of BOB Increased Basis Adjustment and Taxable Year Increased;
- (iv) Amount of BOB Tax Benefit Recognized or Taken by Taxpayer and Tax Years at Issue of such BOB Tax Benefit;
- (v) Amount of BOB Tax Benefit Not Yet Recognized or Taken by Taxpayer;
- (vi) Amount of BOB Tax Benefit Recognized or Taken by Party Other Than Taxpayer and Name of Such Party;
- (vii) Description of BOB Triggering Event; and
- (viii) BOB Borrowing Lender(s), principal and interest amounts of BOB Borrowing.

BASIS IN ASSETS FOR BOB TRANSACTIONS (i.e., stock, partnership interest, and other assets affected by the transaction)

Date	Detailed Description of Asset	Basis as Originally Reported or Per Transaction	Basis as Revised

(If additional space is required, please include information on a separate attachment to this schedule)

☐ **Employee Stock Ownership Plan (ESOP) Transaction(s)**

This ESOP Transaction(s) includes transactions having the following characteristics (please mark all applicable boxes):

1. ☐ An employee stock ownership plan ("**ESOP**") purchases or otherwise obtains, or purports to have obtained, any shares of stock or any other equity interests in an entity ("**ESOP Entity**") that is or was owned by Taxpayer and/or one or more of its related parties, directly or indirectly, at any time ("**ESOP Equity Purchase**").
2. ☐ In any one or more of the Taxable Years at Issue, fifty percent or more of the taxable income of the ESOP Entity is or was allocated, directly or indirectly, to the ESOP ("**ESOP Income Allocation**").
3. ☐ In any taxable year, Taxpayer recognized less taxable income from or attributable to (a) the ESOP Entity and/or (b) the stock or other property transferred to the ESOP Entity than Taxpayer would have otherwise recognized without the ESOP Income Allocation ("**ESOP Tax Benefits**").

A thorough description of the ESOP Transaction(s) is attached hereto, including but not limited to the following information where applicable:

- (i) Name and FEIN of ESOP;
- (ii) Name and FEIN of ESOP S Corporation;
- (iii) Number of Shares, Taxable Years, and Description of ESOP Stock Transfer;
- (iv) Amount and Description of ESOP Tax Benefits Recognized or Taken by Taxpayer and Taxable Year(s) of such BOB Tax Benefits;
- (v) Amount of ESOP Tax Benefit Not Yet Recognized or Taken by Taxpayer;
- (vi) Amount of ESOP Tax Benefit Recognized or Taken by Party Other Than Taxpayer and Name of Such Party; and
- (vii) If ESOP No Longer Owns S Corporation Stock, Description of Disposition.

ENTITIES USED TO FACILITATE THE TRANSACTION(S)

Entity Name	Identification #	Address	Daytime Telephone Number	Taxable Years for which a CA Tax Return was Filed

(If additional space is required, please include information on a separate attachment to this schedule)

OTHER PARTIES TO THE TRANSACTION(S) (including but not limited to the names of the employees who are affected by an employer's transactions)

Party Name	Identification #	Address	Daytime Telephone Number

(If additional space is required, please include information on a separate attachment to this schedule)

**FTB NOTICE 2008-4
CLOSING AGREEMENT
SCHEDULE II**

INFORMATION DOCUMENT REQUEST

Please provide the following information and/or documents.

Opinions and other documents		Attached	Not Attached (provide explanation)
1.	Provide all promotional or informational material including but not limited to summaries, checklists and power point presentations.		
2.	Engagement letters, letters to provide services, or such other service agreements for each transaction.		
3.	Versions of legal opinions, tax opinions, technical analysis, white papers, or such other technical papers for each transaction.		
4.	Versions and amendment of letters of representations, certificates of facts, or such other listings of facts to be incorporated in any opinion relating to each transaction. Identify author of each.		
5.	Lists of suggested business purposes to be incorporated in the opinions related to each transaction.		
6.	Security registrations and documents of incorporation or formation (including partnership and operating agreements) for each of the above named entities.		
7.	Valuation and appraisal reports for each transaction.		
8.	Prospectus and financial statements for each transaction.		
9.	Purchase and sales agreements entered into for the purchase and/or sale of any property in connection with each transaction.		
10.	Collateral agreements, pledge agreements or such other agreements or contracts relating to the transaction.		
11.	Documents that analyze the tax benefits of each transaction.		
12.	Documents that analyze the economics of each transaction.		
13.	Side agreements or letters that relate to any of the opinions, agreements, or other documentation relating to each transaction.		
14.	Any and all Forms 8886, Reportable Transaction Disclosure Statements (or similar forms) filed with the federal or any state governments. If so, filed by whom? Please ensure all appropriate information is included on the form.		
15.	Provide any and all confidentiality agreements for each transaction.		
16.	Provide any and all insurance and/or contractual protection agreements for each transaction.		

Fees or remuneration paid		Attached	Not Attached (provide explanation)
17.	Itemize by recipient, amount, and date any and all fees or remuneration, paid directly or indirectly, to the individual(s) and/or entities having direct or indirect responsibility, involvement, or participation in the organization and sale of each transaction.		
18.	Any and all documents relating to or associated with the identification of fees or remuneration paid, or to be paid, to each of the recipients listed above. This includes, but is not limited to, costs or expenses incurred for the design, formation, implementation, use, operation, audit, tax planning, legal services performed, or evaluation of Transaction (e.g., engagement letters, letter, memoranda, billing records, and invoices describing investment banker fees, engagement fees, consulting fees, commissions, advisory fees, contingent fees, placement fees, finders fees, structuring fees, origination fees, brokerage fees, professional fees).		
19.	Any and all documents to support the transfer of funds to the above recipients in payment of such fees or remuneration.		

Activities of the individual(s) and/or entities having direct or indirect responsibility, involvement, or participation in the organization, promotion and/or sale of each transaction		Attached	Not Attached (provide explanation)
20.	Identify by name, title, firm, and address the individual(s) who first contacted you about tax services relating to each transaction listed on Schedule I. Include the date and manner in which you were contacted.		
21.	Identify by name, title, firm, and address the individual(s) present at the initial meeting (include the date of such meeting) and describe in detail the tax services presented.		
22.	Provide any and all documents made available during the meeting and/or subsequently provided by reason of the meeting, including notes written during the meeting.		
23.	Describe the nature of any prior dealings, either directly or indirectly, with each of the individual(s) who made first contact and/or were present at the initial meeting.		
24.	Describe the methodology used in determining the amount of fees or remuneration paid to each of the above individual(s) for each transaction reported on Schedule I. Provide any and all documents that discuss this methodology.		

25.	Identify by name, title, firm, and address the individual(s) with whom you had communication, either directly or indirectly, regarding each event in the series of transactions necessary to implement the transaction(s) reported on Schedule I. This includes, but is not limited to, banking and financial institutions, investment companies, investment brokers, attorneys, law firms, accountants, tax return preparers, valuation and appraisal experts, consulting firms, insurance companies, actuaries, etc.		
26.	For each individual identified above, describe in detail the services rendered and provide any and all documents made available during the communication and/or that were provided to you by reason of the communication.		

**FTB NOTICE 2008-4
CLOSING AGREEMENT
SCHEDULE III**

ADDITIONAL TAX, PENALTY, AND INTEREST COMPUTATION

If Taxpayer received a Notice of Proposed Assessment for the Transaction(s) (NPAs), the amounts shown on Schedule III should agree with the amounts on the NPAs. If not, attach a statement explaining why they are not the same.

1	Tax Year(s)						
2	Taxable Income as Reported or Previously Revised						
3	Increase Due to BOB or ESOP Transaction						
4	Other Increases or Decreases						
5	Itemized Deductions						
6	Capital Loss						
7	Net Operating Loss						
8	Other						
9a	Revised Taxable Income						
9b	Apportioning Taxpayers: Net income for state purposes from attached revised Schedule R through R-6.						

10	Revised Tax						
11	Allowable Credits						
12	Other Taxes						
13	Total Tax Liability						
14	Less: Tax Previously Assessed						
15	Additional Tax						
16	20% Accuracy Related Penalty or 20% NEST Penalty						
17	Interest calculated to _____						
19	Total Additional Tax, Penalty, and Interest						
20	ALL YEARS – TOTAL ADDITIONAL TAX, PENALTY, AND INTEREST						